

AMENDED IN ASSEMBLY APRIL 10, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 2647

Introduced by Assembly Member Wagner

February 21, 2014

An act to add Section 34182.1 to the Health and Safety Code, relating to redevelopment.

LEGISLATIVE COUNSEL'S DIGEST

AB 2647, as amended, Wagner. Redevelopment: El Toro Project Area: former City of Lake Forest Redevelopment Agency.

Existing law dissolved redevelopment agencies and community development agencies as of February 1, 2012, and provides for the designation of successor agencies to wind down the affairs of the dissolved redevelopment agencies and to, among other things, make payments due for enforceable obligations and to perform obligations required pursuant to any enforceable obligation. Existing law additionally requires the county auditor-controller to determine annually the amount of property taxes that would have been allocated to each redevelopment agency had the agency not been dissolved, and to deposit that amount into the Redevelopment Property Tax Trust Fund. Existing law requires the county auditor-controller for each fiscal year to allocate moneys in the Redevelopment Property Tax Trust Fund for passthrough payment obligations, enforceable obligations of the dissolved redevelopment agency, and administrative costs, as specified.

This bill would require the Orange County Auditor-Controller to ~~determine the amount of property taxes generated from the El Toro Project Area of the Neighborhood Development and Preservation Project Area. This bill would require the auditor-controller, prior to depositing~~

~~those funds into a Redevelopment Property Tax Trust Fund for the former City of Lake Forest Redevelopment Agency, to determine the amount necessary to satisfy the bond obligations that pre-existed the creation of the City of Lake Forest Redevelopment Agency and deposit those funds into the Redevelopment Property Tax Trust Fund of the former Orange County Redevelopment Agency. This bill would then require then auditor-controller to deposit the remaining funds attributable to the El Toro Project Area into the former City of Lake Forest Redevelopment Agency Redevelopment Property Tax Trust Fund,~~
establish a separate Redevelopment Property Tax Trust Fund for the former Lake Forest Redevelopment Agency and to allocate property tax revenues attributable to the El Toro Project Area, as defined, between the Redevelopment Property Tax Trust Fund established for the former Orange County Development Agency and the Redevelopment Property Tax Trust Fund established for the former Lake Forest Redevelopment Agency, as provided.

By adding to the duties of local government officials, this bill would impose a state-mandated local program.

This bill would make legislative findings and declarations as to the necessity of a special statute for the former City of Lake Forest Redevelopment Agency.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 34182.1 is added to the Health and Safety
- 2 Code, to read:
- 3 34182.1. (a) The Orange County Auditor Controller shall
- 4 ~~determine the amount of property taxes generated from the El Toro~~
- 5 ~~Project Area of the Neighborhood Development and Preservation~~
- 6 ~~Project Area. Prior to depositing those funds into a Redevelopment~~
- 7 ~~Property Tax Trust Fund for the former City of Lake Forest~~

1 Redevelopment Agency, the auditor-controller shall determine the
2 amount necessary to satisfy the bond obligations that pre-existed
3 the creation of the City of Lake Forest Redevelopment Agency
4 and shall deposit the funds necessary to satisfy those pre-existing
5 bond obligations into the Redevelopment Property Tax Trust Fund
6 of the former Orange County Development Agency. The
7 auditor-controller shall then deposit, after payments pursuant to
8 statutory formulas or contractual agreements with other taxing
9 entities, the remaining funds attributable to the El Toro Project
10 Area into the former City of Lake Forest Redevelopment Agency
11 Redevelopment Property Tax Trust Fund. *do both of the following:*
12 (1) *Establish a separate Redevelopment Property Tax Trust*
13 *Fund for the former Lake Forest Redevelopment Agency.*
14 (2) *Allocate property tax revenues attributable to the El Toro*
15 *Project Area between the Redevelopment Property Tax Fund*
16 *established for the former Orange County Development Agency*
17 *and the Redevelopment Property Tax Trust Fund established for*
18 *the former Lake Forest Redevelopment Agency as provided in*
19 *subdivision (b).*
20 (b) (1) *All property tax revenues deposited by the Orange*
21 *County Auditor Controller pursuant to paragraph (1) of subdivision*
22 *(c) of Section 34182 during each fiscal year that are attributable*
23 *to the Neighborhood Preservation and Development Project Area,*
24 *including the El Toro Project Area, shall initially be placed into*
25 *the Redevelopment Property Tax Trust Fund for the former Orange*
26 *County Development Agency.*
27 (2) *Prior to January 2, 2015, and prior to each June 1 and*
28 *January 2 thereafter, or such other Redevelopment Property Tax*
29 *Trust Fund distribution date as may be determined by the*
30 *Legislature, the Orange County Auditor Controller shall determine*
31 *the sum of the following:*
32 (A) *For each six-month fiscal period, the amount of*
33 *administrative costs pursuant to subdivision (a) of Section 34183*
34 *and negotiated and statutory passthrough obligations pursuant to*
35 *paragraph (1) of subdivision (a) of Section 34183.*
36 (B) *For each fiscal year, both of the following:*
37 (i) *The transfer amount required by Section 33670.9.*
38 (ii) *All other obligations secured by a prior claim on, or pledge*
39 *of, moneys in the Redevelopment Property Tax Trust Fund of the*
40 *former Orange County Development Agency, including tax*

1 allocation bonds, as applicable, that are payable on a basis prior
2 to any transfer to the former Lake Forest Redevelopment Agency
3 pursuant to the Transfer Agreement or pursuant to Part 1.8 or
4 1.85 of Division 24 of the Health and Safety Code or any other
5 law.

6 (3) If the moneys in the Redevelopment Property Tax Trust Fund
7 established for the former Orange County Development Agency,
8 exclusive of property tax revenues attributable to the El Toro
9 Project Area, are sufficient to pay all obligations described in
10 paragraph (2) of subdivision (b), the Orange County Auditor
11 Controller shall deposit into the Redevelopment Property Tax
12 Trust Fund established for the former Lake Forest Redevelopment
13 Agency the amount by which the property tax revenues attributable
14 to the El Toro Project Area exceeds the amount to be retained by
15 the Orange County Development Agency pursuant to the transfer
16 agreement. The moneys deposited into the Redevelopment Property
17 Tax Trust Fund established for the former Lake Forest
18 Redevelopment Agency pursuant to this paragraph shall be
19 distributed in accordance with Section 34183.

20 (4) If the moneys in the Redevelopment Property Tax Trust Fund
21 established for the former Orange County Development Agency,
22 exclusive of property tax revenues attributable to the El Toro
23 Project Area, are not sufficient to pay all obligations described in
24 paragraph (2) of subdivision (b), the Orange County Auditor
25 Controller shall distribute the moneys in the Redevelopment
26 Property Tax Trust Fund established for the former Orange County
27 Development Agency that are attributable to the El Toro Project
28 Area as follows:

29 (A) An amount equal to the greater of either the following shall
30 be retained in the Redevelopment Property Tax Trust Fund
31 established for the former Orange County Development Agency
32 and distributed in accordance with Section 34183:

33 (i) The amount to be retained by the Orange County
34 Development Agency pursuant to the transfer agreement.

35 (ii) The amount necessary to fund the balance of the obligations
36 described in paragraph (2) of subdivision (b) in excess of the
37 amount otherwise available in the Redevelopment Property Tax
38 Trust Fund for the former Orange County Development Agency
39 without regard to property tax revenues attributable to the El Toro
40 Project Area.

1 (B) *The remainder shall be deposited into the Redevelopment*
2 *Property Tax Fund established for the former Lake Forest*
3 *Redevelopment Agency and distributed in accordance with Section*
4 *34183.*

5 (c) *This section shall not be construed to affect the obligations*
6 *of the successor agency to the Orange County Development Agency*
7 *under Section 33670.9. Such obligations shall be prior to any*
8 *transfer of property tax revenues directed by this section and this*
9 *section shall be interpreted and construed in a manner consistent*
10 *with Section 33670.9.*

11 (d) *This section is intended to implement the transfer agreement*
12 *in light of Assembly Bill 26 of the 2011–12 First Extraordinary*
13 *Session of 2011 and, except as expressly set forth herein, this*
14 *section is not intended to alter the transfer agreement, which shall*
15 *continue in full force and effect in accordance with its terms.*

16 (e) *For purposes of this section, both of the following definitions*
17 *shall apply:*

18 (1) *“El Toro Project Area” means the portion of the former*
19 *Orange County Development Agency’s Neighborhood Preservation*
20 *and Development Project Area that was transferred to the Lake*
21 *Forest Redevelopment Agency pursuant to the transfer agreement*
22 *and Sections 33216 and 33216.1.*

23 (2) *“Transfer agreement” means the Agreement to Transfer*
24 *Territorial Jurisdiction of a Noncontiguous Portion of a*
25 *Redevelopment Project Area dated as of July 6, 1999, entered into*
26 *among the County of Orange, the Orange County Development*
27 *Agency, the City of Lake Forest, the Lake Forest Redevelopment*
28 *Agency, and the City of Laguna Hills.*

29 SEC. 2. The Legislature finds and declares that a special law
30 is necessary and that a general law cannot be made applicable
31 within the meaning of Section 16 of Article IV of the California
32 Constitution because of the unique economic circumstances in the
33 area served by the former City of Lake Forest Redevelopment
34 Agency relating to the payment of debt service on ~~pre-existing~~
35 *preexisting* bonds secured by the El Toro Project Area.

36 SEC. 3. If the Commission on State Mandates determines that
37 this act contains costs mandated by the state, reimbursement to
38 local agencies and school districts for those costs shall be made

- 1 pursuant to Part 7 (commencing with Section 17500) of Division
- 2 4 of Title 2 of the Government Code.

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